

HR-1-645
Prop. Sec.

DPD-0840-61

27 January 1961

SUBJECT: Funding of Project and FOG Overhaul and
Open Call Support for 2nd Half FY-1961

TO: Contracting Officer

As a result of the merging of the Project and FOG Depots at WRAMA, effective 1 January 1961, a determination was made that the most feasible way of funding the overhaul and open call support of both customers over the second half of FY-1961, would be through the establishment of a common fund, where possible, on all contracts that serve both customers.

A meeting was therefore held at Project Headquarters on 5-6 January 1961, attended by both Project and FOG, to determine the funding percentage ratio that would be applied against each customer on each common contract. The percentage ratios established are enclosed as attachment 1. They were based upon each customer's activity during recent fiscal years and during the first half of FY-1961 and upon the anticipated activity of each customer during the second half of FY-1961. By the end of FY-1961, WRAMA will be in a position to either confirm the validity of these ratios, or to recommend an adjustment to them if actual overhaul and open call activity indicates a wide variance.

During the meeting, the percentage ratios of attachment 1 were converted to actual dollar amounts required from each customer for the common fund of each contract concerned. Attachment 2 reflects the funding to be either allotted or withdrawn in support of Project and FOG activity over the second half of FY-1961.

DOCUMENT NO. 127
NO CHANGE IN CLASS. ☐
☐ RECLASSIFIED
CLASS. EXTENSION TO: 0 2 0 11
NEXT REVIEW DATE
AUTH: NO 112
DATE: 3 June 61 REVIEWER:

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Since FOG had completed a detailed study of its estimated dollar requirements for each of its contracts, the Project dollar requirements were computed in accordance with the percentages of attachment 1 using the FOG figures as a basis to work from. Assuming the FOG figures to be accurate and the percentage ratios valid, the dollar amounts required of Project for the second half FY-1961 should prove reliable. The actual dollar amounts required from each customer also took into consideration any surplus or shortage remaining from 1st half FY-1961 activity.

Concerning the new work that will be generated by ECP's, it was felt that the Lockheed contracts (SP-1917 and SP-1918) would be the only ones requiring separate Customer #1 and Customer #2 funding as well as the common funding. Each customer will determine independently how much money will be charged to the separate customer categories of SP-1917 and SP-1918. It was felt that the costs of the ECP's submitted by the other contractors would essentially and in the long run break down to a 50-50 expense. Therefore, except for the Lockheed contracts, separate customer funding was not deemed necessary.

Since Project expenses against Eastman contracts HF-CT-2219 and HF-CT-697 and Firewel contract HF-CT-692 are expected to be negligible, these contracts will be funded solely by FOG. For the same reason, Haller, Raymond, & Brown contracts SC-991 and HF-CT-698 will be funded solely by Project. FOG will have no requirements against the David Clark or the Granger contracts; Project will have no requirements against the Westinghouse contracts.

This letter supersedes WSFO letter, subject: "Additional Allotments of FY-1961 Funds to FOG Contracts" dated 29 December 1960 with exception of the funding cited for FOG technical representative contracts which remains unchanged.


Lt. Colonel, USAF

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2nd Half FY-61 Project/FOG Funding Ratios

	<u>Project</u>	<u>FOG</u>	
<u>Baird-Atomic</u>			
TM-1606 (Overhaul) ✓			STAT
HF-CT-691 (Call) ✓			
<u>Clark</u>			
GE-TM-44 (Overhaul) ✓			
GE-CT-700 (Call) ✓			
<u>Eastman-Kodak</u>			
HF-CT-2219 (Processor)			
HF-CT-697 (Call)			
HF-2410 (Film & Chem.)			
<u>Firewel</u>			
HF-TM-16 (Overhaul)			
HF-CT-592 (Call)			
<u>General Precision Lab</u>			
TM-1461 (Overhaul)			
HF-CT-693 (Call)			
<u>Granger</u>			
TM-512 (Overhaul)			
CT-511 (Call)			
<u>Haller, Raymond, & Brown</u>			
SC-991 (Overhaul)			
HF-CT-698 (Call)			
<u>Hyon</u>			
✓ EC-550 (Overhaul)			
✓ CT-701 (Call)			

Project

FOI

Lockheed

SP-1916 (Overhaul)
SP-1917 (Call)

Perkin-Elmer

SC-56-42 (Overhaul)
HF-CT-695 (Call)

Space Technology Labs

SB-TM-4060 (Overhaul)
SB-CT-4363 (Call)

Westinghouse

TM-3013 (Overhaul)
HF-CT-694 (Call)

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Approved For Release 2002/10/16 : CIA-RDP64B00187A000700090053-6

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